



OFFICE OF THE GOVERNOR

CHESTER J. CULVER
GOVERNOR

PATTY JUDGE
LT. GOVERNOR

April 21, 2010

The Honorable Michael Mauro
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit:

Senate File 2383, an Act relating to the collection of debt obligations owed the state and cities and establishing a state debt coordinator, providing a fee, and including effective date provisions.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Culver", with a long horizontal flourish extending to the right.

Chester J. Culver
Governor

CJC:bdj

cc: Secretary of the Senate
Chief Clerk of the House





Senate File 2383

AN ACT

RELATING TO THE COLLECTION OF DEBT OBLIGATIONS OWED THE STATE AND CITIES AND ESTABLISHING A STATE DEBT COORDINATOR, PROVIDING A FEE, AND INCLUDING EFFECTIVE DATE PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 8A.504, subsection 3, Code 2009, is amended to read as follows:

3. In the case of multiple claims to payments filed under this section, priority shall be given to claims filed by the child support recovery unit or the foster care recovery unit, next priority shall be given to claims filed by the clerk of the district court, next priority shall be given to claims filed by the college student aid commission, next priority shall be given to claims filed by the investigations division of the department of inspections and appeals, ~~next priority shall be given to claims filed by a clerk of the district court,~~ and last priority shall be given to claims filed by other state agencies. In the case of multiple claims in which the priority is not otherwise provided by this subsection, priority shall be determined in accordance with rules to be established by the director.

Sec. 2. Section 321.40, subsection 6, Code Supplement 2009, is amended to read as follows:

6. a. The department or the county treasurer shall refuse to renew the registration of a vehicle registered to the applicant if the department or the county treasurer knows that the applicant has a delinquent account, charge, fee, loan, taxes, or other indebtedness owed to or being collected by the state, from information provided pursuant to sections 8A.504 and 421.17. An applicant may contest this action by requesting a contested case proceeding from the agency that referred the

debt for collection pursuant to section 8A.504. The department of revenue and the department of transportation shall notify the county treasurers through the distributed teleprocessing network of persons who owe such a delinquent account, charge, fee, loan, taxes, or other indebtedness.

b. The county treasurer of the county of the person's residence and in which the person's vehicle is registered, in cooperation with the department of revenue, may collect delinquent taxes including penalties and interest owed to the state from a person applying for renewal of a vehicle registration. The applicant may remit full payment of the taxes including applicable penalties and interest, along with a processing fee of five dollars, to the county treasurer at the time of registration renewal. Upon full payment of the required taxes including applicable penalties and interest, the processing fee, and the vehicle registration fee, the county treasurer shall issue the registration to the person. A county treasurer collecting on behalf of the department of revenue shall update the vehicle registration records through the distributed teleprocessing network on a daily basis for all persons who have paid taxes pursuant to this subsection. A county treasurer shall forward all funds collected for the department of revenue to the department of revenue.

Sec. 3. Section 321.40, subsection 9, Code Supplement 2009, is amended to read as follows:

9. a. The clerk of the district court shall notify the county treasurer of any delinquent court debt, as defined in section 602.8107, which is being collected by the centralized collection unit of the department of revenue pursuant to section 602.8107, subsection 3, or the county attorney pursuant to section 602.8107, subsection 4. The county treasurer shall refuse to renew the vehicle registration of the applicant upon such notification from the clerk of the district court in regard to such applicant.

b. If the applicant enters into or renews a payment plan that is satisfactory to the centralized collection unit of the department of revenue, the county attorney, or the county attorney's designee, the centralized collection unit or the county attorney shall provide the county treasurer with written or electronic notice of the payment plan within five days of entering into such a plan. The county treasurer shall temporarily lift the registration hold on an applicant for a period of ten days if the treasurer receives such notice in

order to allow the applicant to register a vehicle for the year. If the applicant remains current with the payment plan entered into with the centralized collection unit or the county attorney or the county attorney's designee, subsequent lifts of registration holds shall be granted without additional restrictions.

Sec. 4. Section 321.152, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. The five dollar processing fee charged by a county treasurer for collection of tax debt owed to the department of revenue pursuant to section 321.40, subsection 6, shall be retained for deposit in the county general fund.

Sec. 5. Section 321.153, Code 2009, is amended to read as follows:

321.153 Treasurer's report to department.

1. The county treasurer on the tenth day of each month shall certify to the department a full and complete statement of all fees and penalties received by the county treasurer during the preceding calendar month and shall remit all moneys not retained for deposit under section 321.152 to the treasurer of state.

2. The distributed teleprocessing network shall be used in the collection, receipting, accounting, and reporting of any fee collected through the registration renewal or title process, with sufficient time and financial resources provided for implementation.

3. This section does not apply to fees collected or retained by a county treasurer pursuant to participation in county issuance of driver's licenses under chapter 321M.

4. This section does not apply to processing fees charged by a county treasurer for the collection of tax debt owed to the department of revenue pursuant to section 321.40.

Sec. 6. NEW SECTION. 364.22B Collection of judgment debt.

1. As used in this section, "*judgment debt*" means any criminal penalty, any personal judgment for a civil penalty, or any personal or in rem judgment for the costs of abating a nuisance or other violation, owing to a city in any proceeding brought as a municipal infraction under section 364.22, or in a civil nuisance proceeding under chapter 657, or in a criminal proceeding for a misdemeanor violation under a city ordinance.

2. Judgment debt owing to a city is deemed delinquent if it is not paid within thirty days after the date it is assessed. An amount which was ordered by the court to be paid on a date fixed in the future is deemed delinquent if it is not received

by the clerk of court within thirty days after the fixed date set out in the court order. If an amount was ordered to be paid in installments and an installment is not received within thirty days after the date it is due, the entire amount of the judgment debt is deemed delinquent.

3. *a.* A city may contract with a private collection designee for the collection of judgment debt sixty days after the judgment debt in a case is deemed delinquent pursuant to subsection 2.

b. The contract shall provide for a collection fee of up to twenty-five percent of the amount of the balance of the judgment debt in a case deemed delinquent. The collection fee shall be added to the amount of the judgment debt deemed delinquent. The amount of the judgment debt deemed delinquent and the collection fee shall be owed by and collected from the defendant. The collection fee shall be used to compensate the private collection designee.

Sec. 7. Section 421.17, subsection 27, Code 2009, is amended by adding the following new paragraph:

NEW PARAGRAPH. *k.* A county treasurer may collect delinquent taxes, including penalties and interest, administered by the department in conjunction with renewal of a vehicle registration as provided in section 321.40, subsection 6, paragraph "b", and rules adopted pursuant to this paragraph. County treasurers shall be given access to information required for the collection of delinquent taxes, including penalties and interest, as necessary to accomplish the purposes of section 321.40, subsection 6, paragraph "b". The confidentiality provisions of sections 422.20 and 422.72 do not apply to information provided by the department to a county treasurer pursuant to this paragraph. A county treasurer collecting taxes, penalties, and interest administered by the department is subject to the requirements and penalties of the confidentiality laws of this state regarding tax or indebtedness information. The director shall adopt rules to implement the collection of tax debt as authorized in section 321.40 and this paragraph.

Sec. 8. Section 421.17, Code 2009, is amended by adding the following new subsection:

NEW SUBSECTION. 31. *a.* To the extent permissible by federal law, to subpoena certain records held by a public or private utility company with respect to an individual who has a debt or obligation placed with the centralized collection

unit of the department. The subpoena authority granted in this subsection may be used only after reasonable efforts have been made by the centralized collection unit to identify and locate the individual.

b. The department may subpoena customer records in order to obtain a telephone number and last known address, but shall not request or require the disclosure of transaction information, account activity, or proprietary information.

c. A public or private utility company shall respond to the subpoenas. The subpoenas shall not be served more frequently than quarterly.

d. The burden of showing reasonable cause to believe that the documents or records sought by the subpoena are necessary to assist the department under this subsection shall be upon the director. In administering this subsection, the director and the department shall comply with all applicable state and federal laws pertaining to the confidentiality or privacy of individuals or public or private utility companies. The information and customer records obtained by the department pursuant to this subsection are confidential records and are not subject to requests for examination pursuant to chapter 22.

e. A public or private utility company shall not be held liable for any action arising as a result of providing the records described in paragraph "b" or for any other action taken reasonably and in good faith to comply with this subsection.

f. As used in this subsection, "*public or private utility company*" means a public utility, cable, video, or satellite television company, cellular telephone company, or internet service provider.

Sec. 9. NEW SECTION. 421C.1 State debt coordinator — established — duties — authority.

1. The office of the state debt coordinator is established within the department of revenue for administrative and budgetary purposes. The office is to be headed and administered by the state debt coordinator.

a. The governor shall appoint the coordinator, subject to senate confirmation. The coordinator shall possess an expert knowledge of and skills in the field of debt collection and have an intricate understanding of the workings of state government. The coordinator's term of office shall be four years, beginning July 1 of the year of appointment and ending on June 30 of the year of expiration.

b. If a vacancy occurs in the office of the state debt

coordinator, the vacancy shall be filled for the unexpired portion of the term in the same manner as the original appointment was made.

c. The coordinator shall not engage in any occupation, business, or profession that would interfere with or be inconsistent with the coordinator's duties. The coordinator shall not serve on or under any committee of any political party or actively campaign on behalf of a candidate for elective office.

2. The duties of the coordinator shall include all of the following:

a. Coordinating the internal operations of the office and developing and implementing policies and procedures designed to ensure the efficient administration of the office.

b. Appointing all personnel deemed necessary for the administration of the functions of the office as provided by this chapter.

c. Developing and recommending legislative proposals deemed necessary for the continued efficiency of the office's functions and reviewing legislative proposals related to matters within the office's purview.

d. Reviewing the debt collection practices of each branch of state government, except the practices related to the collection of delinquent child support obligations.

e. Coordinating the collection efforts of each branch of state government.

f. Making recommendations to the general assembly to improve and increase debt collection efficiencies and practices.

g. Filing a notice of a lien and negotiating a settlement as provided in section 421C.2.

h. Managing the debt settlement program established in section 421C.3.

i. Accepting and maintaining county attorney collection reports required under section 602.8107, subsection 4.

j. Accepting and reviewing county attorney applications to the debt settlement program as required by section 421C.4.

k. Adopting rules deemed necessary for the administration of this chapter in accordance with chapter 17A.

l. Assisting the director of revenue in preparing the annual budget request related to the office pursuant to section 8.23.

m. Reporting annually to the department of management and the legislative services agency on additional full-time equivalent positions added during the previous fiscal year and

the direct and indirect costs related to adding such full-time equivalent positions.

3. The state debt coordinator shall have the authority to appoint a designee to carry out certain duties provided in this chapter.

4. Notwithstanding any other law to the contrary, the office of the state debt coordinator shall be provided access to all state debt collection information, including full viewing access to the Iowa court information system, for the purpose of collecting personal identifying information and collecting or coordinating debt collection efforts. This section does not apply to debt collection information related to delinquent child support obligations.

5. Personal identifying information or financial information obtained by the state debt coordinator or a designee shall not be divulged to any person or entity, other than to the debtor, unless the information is used in a matter related to the collection of a debt obligation owed the state.

Sec. 10. NEW SECTION. 421C.2 Notice of lien in civil action.

1. When a debt obligation is owed the state, the state debt coordinator, on behalf of the state, shall have a right to a lien against all monetary claims arising from a civil action which the debtor may file against a third party. A lien under this section becomes effective once the state debt coordinator files a notice of lien with the clerk of the district court in the county where the civil action identified by the state debt coordinator is filed and sends notice of the lien to the debtor and to the debtor's attorney or other representative, if applicable. To be effective against a monetary claim, the notice of lien must be filed before a third party has concluded a final settlement with the debtor, the debtor's attorney, or other representative. The lien shall only be effective against the monetary claim in the civil action against which the lien is filed. The third party shall obtain a written determination from the state debt coordinator concerning the amount of the lien before a settlement is deemed final for purposes of this section. A compromise, including but not limited to a settlement, waiver, or release, of a monetary claim under this section does not defeat the state debt coordinator's lien except upon written agreement by the coordinator or the coordinator's designee. A settlement, award, or judgment structured in any manner that does not include a debt obligation owed the state

does not defeat the state court debt coordinator's lien if there is any recovery by the debtor unless a written agreement has been entered into between the state debt coordinator or the coordinator's designee and the debtor.

2. The judicial branch shall cooperate with the state debt coordinator to determine the most efficient way to identify a debtor who has a claim against a third party. The state debt coordinator shall be provided viewing access to the Iowa court information system as provided in section 421C.1 to determine if a debtor owes a debt obligation to the state. The debtor's attorney shall not have the responsibility to notify the state that a debtor has filed a civil action against a third party.

3. The state debt coordinator's lien is valid and binding on an attorney, insurer, or other third party only upon actual notice given by the state debt coordinator.

4. An insurer or attorney representing a debtor on a monetary claim upon which the state debt coordinator has a lien under this section shall notify the state debt coordinator of a negotiated settlement or verdict, if actual notice of the lien has been provided in the following manner:

a. The mailing and deposit in a United States post office or public mailing box of the notice, addressed to the debtor and to the debtor's attorney or other representative, if applicable, at the location used for service of original notice.

b. The mailing and deposit in a United States post office or public mailing box of the notice, addressed to a third party, at the location used for service of original notice.

5. a. Upon resolution of the civil action against which a lien has been filed and actual notice of the lien has been given, the court costs and reasonable attorney fees and expenses, hospital liens filed pursuant to chapter 582 and other subrogated medical expenses shall first be deducted from any total judgment or settlement obtained. At least one-third of the remaining balance shall then be deducted and paid to the debtor. From the remaining balance, the state debt coordinator shall have the authority to negotiate a settlement of any debt obligation owed the state that is noted in the lien, including forgiving the entire balance due, based upon the circumstances of the case, costs incurred in pursuing the matter, and the element of the damages awarded. After deducting payments in accordance with this subsection and negotiating a settlement of the lien, any payments to satisfy the lien shall be paid to the state debt coordinator. The state debt coordinator shall

transfer any moneys collected to the appropriate accounts to satisfy the debt owed. The state debt coordinator shall file a satisfaction of the lien in the civil action if the state debt coordinator, pursuant to this subsection, settles any part of the debt obligation owed the state.

b. In circumstances where a lien encompasses multiple claims by state entities, the priority of payment made to the state debt coordinator shall first be a credit against tax due as provided in section 422.73, and the remaining balance shall be distributed in accordance with section 8A.504, subsection 3.

c. During the negotiation process pursuant to this section the state debt coordinator shall make a determination whether the amount to be received by the coordinator under paragraph "a" shall be considered as full payment of the debt obligation owed the state. If the state debt coordinator settles any debt obligation owed the state that is for less than the actual amount owed the state, the state debt coordinator may determine that the debt obligation owed the state is paid in full. If settlement is reached that is for less than the amount of the debt obligation owed the state, and the state debt coordinator notifies the applicable state department, agency, or branch that the debt obligation is paid in full, the state department, agency, or branch receiving the notification shall indicate in the records of the state department, agency, or branch that the debt obligation owed the department, agency, or branch is paid in full.

6. Except as provided in subsection 7, the state debt coordinator may enforce its lien by a civil action against any liable third party if a judgment or settlement was paid to the debtor without notifying the state debt coordinator as provided in this section.

7. An insurance company that makes a payment to the debtor or the debtor's attorney in a civil action that is subject to a lien under this section shall have no further liability for the lien filed in the civil action.

8. As used in this section, unless the context otherwise requires:

a. "Insurance company" means an insurer organized or operating under chapter 508, 514, 514B, 515, 518, 518A, 519, or 520, or authorized to do business in Iowa as an insurer or an insurance producer under chapter 522B.

b. "Third party" means an individual, institution, corporation, or public or private agency which is or may be

liable to pay all or part of a debtor's monetary claim. "Third party" does not include a financial institution as defined in section 572.2.

Sec. 11. NEW SECTION. 421C.3 Debt settlement program.

1. As used in this section, "eligible debt" means all delinquent court debt obligations defined pursuant to section 602.8107 and owed the state, except as provided in subsection 3. "Eligible debt" includes any interest and penalties assessed against such debt obligations.

2. The state debt coordinator, in consultation with the other branches of state government, shall establish a debt settlement program.

3. The following debt obligations are ineligible for the program:

a. Delinquent debt obligations that were imposed less than four years prior to the date of the application.

b. Victim restitution as defined in section 910.1.

c. Civil penalties assessed pursuant to section 321.218A, 321A.32A, or 321J.17.

d. Jail fees charged pursuant to section 356.7.

4. The following persons are ineligible for the program:

a. A person whose income level exceeds two hundred percent of the United States poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

(1) The coordinator may determine that a person whose income is at or below two hundred percent of the United States poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services, is ineligible for the program if the debt coordinator determines the person is able to pay the full amount of the delinquent debt.

(2) In making the determination of a person's ability to pay the full amount of the delinquent debt, the state debt coordinator shall consider not only the person's income, but also the availability of any assets subject to execution, including but not limited to cash, stocks, bonds, and any other property which may be applied to the eligible debt.

b. A person who is in jail, prison, or who is under supervision during the period of incarceration or supervision.

c. A person who has previously participated in the program.

4A. A person paying a delinquent court debt obligation through an established payment plan with the clerk of the

district court, with the centralized collection unit of the department of revenue or its designee, with a county attorney or the county attorney's designee, or with a private collection designee, is eligible for the debt settlement program if the person and debt are eligible and if the collecting entity is a debt settlement collection designee as provided in section 421C.4. The distribution of any moneys collected by the debt settlement collection designee shall be as provided in section 421C.4.

5. Under the program the state debt coordinator is authorized to forgive not more than fifty percent of all eligible debt obligations due.

6. Payment to the state debt coordinator under the program shall be provided in a lump sum.

7. The program shall provide that upon written application and payment of the agreed upon percentage of eligible debt obligation due to the state, the state shall forgive any remaining balance of eligible debt obligation due and shall not seek any contempt or civil action or criminal prosecution against the person related to the eligible debt obligation forgiven under the program. Upon the forgiveness of the remaining balance of the eligible debt pursuant to the program, the eligible debt shall be considered by the state as paid in full.

8. The written application shall contain all case numbers associated with the eligible debt obligation due and a general description of such debt.

9. Failure to pay the amount agreed upon by the date specified shall bar the person's participation in the program for life.

10. A person who participates in the program shall relinquish all administrative and judicial rights to challenge the imposition and the amount of the eligible debt obligation owed.

11. If a driver's license is reinstated as a result of participating in the program, the person shall be required to pay a reinstatement fee as provided in section 321.191, any civil penalty assessed pursuant to section 321.218A, 321A.32A, or 321J.17, and provide proof of financial responsibility pursuant to section 321A.17, if otherwise required by law.

12. Upon paying the amount required under subsection 5, the state debt coordinator shall provide the person with a certified document detailing the case numbers paid in full under

the program. Any state department, agency, or branch shall, upon the filing of a certified document detailing the cases paid in full under the program, indicate in the records of the department, agency, or branch that the case is in fact paid in full with respect to the eligible debt obligations paid under the program.

13. The coordinator shall prepare and make available debt settlement application forms which contain requirements for approval of an application. The coordinator may deny an application that is inconsistent with this section.

14. Any department, agency, or branch shall cooperate with the state debt coordinator in administering the program.

15. The director of revenue shall establish an account and shall deposit in the account all receipts received under the program established by the state debt coordinator. Not later than the fifteenth day of each month, the director shall deposit amounts received with the treasurer of state for deposit in the general fund of the state.

16. The state debt coordinator shall submit an annual report by January 1 to the chairpersons and ranking members of the joint appropriations subcommittee on justice systems and the legislative services agency, detailing the amount of debt obligations settled under the program, including the classification of the debt settled and the county of residence of persons who had debt settled under the program or with a debt settlement designee as provided in section 421C.4.

Sec. 12. NEW SECTION. 421C.4 Debt settlement collection by designees.

1. As used in this section "county attorney" means a single county attorney office or a group of county attorney offices whose counties have entered into an agreement pursuant to chapter 28E pursuant to section 602.8107, subsection 4, to collect delinquent court debt.

2. The centralized collection unit of the department of revenue and a county attorney collecting delinquent court debt pursuant to section 602.8107, subsection 4, are eligible to act as the state debt coordinator's designee under the debt settlement program. If the centralized collection unit of the department of revenue or a county attorney serves as the state debt coordinator's designee the procedures of the program established in section 421C.3 apply to the designee except as otherwise provided in this section.

3. a. In order to be eligible to settle debt under the

program, a county attorney shall first make application to the state debt coordinator requesting authority to act as the state debt coordinator's designee. The state debt coordinator shall approve each application, upon a showing of commitment to collect delinquent court debt pursuant to section 602.8107, subsection 4, and upon reaffirmation to continue collection efforts pursuant to section 602.8107, subsection 4. A county attorney is not eligible to participate in the debt settlement program if the county attorney has been deemed ineligible under section 602.8107, subsection 4, paragraph "g".

b. If a county attorney is approved to act as the state debt coordinator's designee under the debt settlement program any eligible court debt settled that is more than four years old shall be deposited with the clerk of the district court as provided in section 602.8107, subsection 4, and distributed to the county in accordance with section 602.8107, subsection 4. For purposes of calculating the amounts distributed to the county, the amounts collected by the county attorney when acting as the state debt coordinator designee shall be considered as any other debt collected and credited to the county under the county attorney collection program pursuant to section 602.8107, subsection 4. The remainder collected by the county attorney acting as the state debt coordinator's designee shall be remitted to the state court administrator as provided in section 602.8107, subsection 4.

4. For those counties in which a county attorney is not acting as the state debt coordinator's designee under the debt settlement program, or for cases the centralized collection unit is collecting upon, the centralized collection unit of the department of revenue may serve as the state debt coordinator's designee.

Sec. 13. NEW SECTION. 421C.5 Future repeal.

This chapter is repealed January 1, 2014. The general assembly shall consider corresponding amendments to the Code of Iowa to effectuate the repeal of this chapter.

Sec. 14. Section 422.20, subsection 3, paragraph a, Code 2009, is amended to read as follows:

a. Unless otherwise expressly permitted by section 8A.504, section 421.17, subsections 22, 23, and 26, ~~sections and subsection 27, paragraph "k", section 252B.9, section 321.40, subsection 6, sections~~ 321.120, 421.19, 421.28, 422.72, and 452A.63, and this section, a tax return, return information, or investigative or audit information shall not be divulged to any

person or entity, other than the taxpayer, the department, or internal revenue service for use in a matter unrelated to tax administration.

Sec. 15. Section 422.72, subsection 3, paragraph a, Code 2009, is amended to read as follows:

a. Unless otherwise expressly permitted by section 8A.504, section 421.17, subsections 22, 23, and 26, sections and subsection 27, paragraph "k", section 252B.9, section 321.40, subsection 6, sections 321.120, 421.19, 421.28, 422.20, and 452A.63, and this section, a tax return, return information, or investigative or audit information shall not be divulged to any person or entity, other than the taxpayer, the department, or internal revenue service for use in a matter unrelated to tax administration.

Sec. 16. Section 602.8107, subsection 3, unnumbered paragraph 1, Code Supplement 2009, is amended to read as follows:

Thirty days after court debt has been assessed, or if an installment payment is not received within thirty days after the date it is due, the judicial branch ~~may~~ shall assign a case to the centralized collection unit of the department of revenue or its designee to collect debts owed to the clerk of the district court for a period of ~~sixty days~~ one year. In addition, court debt which is being collected under an installment agreement pursuant to section 321.210B which is in default that remains delinquent ~~may~~ shall also be assigned to the centralized collection unit of the department of revenue or its designee for a period of one year. If a county attorney has filed with the clerk of the district court a full commitment to collect delinquent court debt pursuant to subsection 4, the court debt in a case shall be assigned after sixty days to the county attorney as provided in subsection 4, if the court debt in a case has not been placed in an established payment plan by the centralized collection unit. For all other delinquent court debt not assigned to a county attorney pursuant to subsection 4, the delinquent court debt shall be assigned to a private collection designee as provided in subsection 5, after one year, if the delinquent court debt in a case has not been placed in an established payment plan by the centralized collection unit.

Sec. 17. Section 602.8107, subsection 3, paragraph c, Code Supplement 2009, is amended by striking the paragraph.

Sec. 18. Section 602.8107, subsection 4, unnumbered paragraph 1, Code Supplement 2009, is amended to read as

follows:

The county attorney or the county attorney's designee may collect court debt sixty days after the court debt is deemed delinquent pursuant to subsection 2. In order to receive a percentage of the amounts collected pursuant to this subsection, the county attorney must file annually with the clerk of the district court on or before July 1 a notice of full commitment to collect delinquent court debt and ~~must file on the first day of each month a list of the cases in which the county attorney or the county attorney's designee is pursuing the collection of delinquent court debt. The list shall include a list of cases where delinquent court debt is being collected under an installment agreement pursuant to section 321.210B, and a list of cases in default which are no longer being collected under an installment agreement but remain delinquent for all cases assigned to the county for collection by the court.~~ The annual notice shall contain a list of procedures which will be initiated by the county attorney.

Sec. 19. Section 602.8107, subsection 4, paragraph f, Code Supplement 2009, is amended by striking the paragraph.

Sec. 20. Section 602.8107, subsection 4, Code Supplement 2009, is amended by adding the following new paragraphs:

NEW PARAGRAPH. *g.* Beginning July 1, 2010, and every fiscal year thereafter, amounts collected and distributed pursuant to this subsection shall be equal to or greater than twenty-five thousand dollars for each county or twenty-five thousand dollars in the aggregate for counties that have entered into an agreement pursuant to chapter 28E. If a county, or counties that have entered into a chapter 28E agreement, fails to meet the minimum threshold established in this paragraph, the county, or counties under the chapter 28E agreement, shall be ineligible to participate in the county attorney collection program the following fiscal year. In the event a county is ineligible to collect under this program, the county may apply to the state debt coordinator established in section 421C.1 to reenter the program following the fiscal year of ineligibility.

NEW PARAGRAPH. *h.* A county participating in the county attorney collection program shall file an annual collection report with the state debt coordinator established in section 421C.1. Counties that have entered into a chapter 28E agreement to participate in the county attorney collection program may file one report, detailing collections in each county that is a party to the agreement.

Sec. 21. Section 602.8107, subsection 5, paragraphs a and b, Code Supplement 2009, are amended to read as follows:

a. The judicial branch ~~may~~ shall contract with a private collection designee for the collection of court debt ~~sixty days~~ one year after the court debt in a case is deemed delinquent pursuant to subsection 2 if the county attorney is not collecting the court debt in a case pursuant to subsection 4. The judicial branch shall solicit requests for proposals prior to entering into any contract pursuant to this subsection.

b. The contract shall provide for a collection fee ~~equal~~ of up to twenty-five percent of the amount of the court debt in a case deemed delinquent. The collection fee as calculated shall be added to the amount of the court debt deemed delinquent. The amount of the court debt deemed delinquent and the collection fee shall be owed by and collected from the defendant. The collection fee shall be used to compensate the private collection designee. The contract may also assess the private collection designee an initial fee for entering into the contract.

Sec. 22. Section 909.3, Code 2009, is amended to read as follows:

909.3 Payment in installments or on a fixed date.

1. All fines imposed by the court shall be paid on the day the fine is imposed, and the person shall be instructed to pay such fines with the office of the clerk of the district court on the date of imposition.

2. a. The court may, in its discretion, order a fine to be paid in installments, ~~or may fix a date in the future which is not more than one hundred twenty days from the date the fine is imposed for the payment of the fine, whenever it appears that the defendant cannot make immediate payment, or should not be made to do so.~~

~~For good cause, the court may order that the date for payment of the fine be extended beyond one hundred twenty days from the date the fine was imposed.~~

b. If the court orders the fine to be paid in installments, the first installment payment shall be made within thirty days of the fine being imposed. All other terms and conditions of an installment payment plan order pursuant to this section shall be established by rule by the judicial branch.

Sec. 23. DEBT AMNESTY PROGRAM.

1. A debt amnesty program is established within the office of the state debt coordinator for a period beginning September

1, 2010, through November 30, 2010, for any debt obligation eligible under section 421C.3.

2. A person who is in jail or prison, or who is under supervision, is not eligible for the program during the period of incarceration or supervision.

3. A person who is paying delinquent court debt through an established payment plan enumerated in section 421C.3, subsection 4A, is also not eligible for the program.

4. Under the program the state debt coordinator is authorized to forgive an amount equal to fifty percent of any eligible debt obligation due.

5. Payment to the state debt coordinator under the program shall be provided in a lump sum.

6. The program shall provide that upon written application and payment of an amount equal to fifty percent of eligible debt obligation due to the state, the state shall forgive any remaining balance of eligible debt obligation due and shall not seek any contempt or civil action, or criminal prosecution, against the person related to the eligible debt obligation forgiven under the program. Upon the forgiveness of the unpaid portion of the eligible debt pursuant to this program, the eligible debt shall be considered paid in full by the state.

7. The written application shall contain all case numbers associated with the eligible debt obligation due, and a general description of such debt.

8. Failure to pay the amount agreed upon by the date specified shall bar the person's participation in the program.

9. A person who participates in the program shall relinquish all administrative and judicial rights to challenge the imposition and the amount of eligible debt obligation owed.

10. If a driver's license is reinstated as a result of participating in the program, the person shall be required to pay a reinstatement fee as provided in section 321.191, any civil penalty assessed pursuant to section 321.218A, 321A.32A, or 321J.17, and provide proof of financial responsibility pursuant to section 321A.17, if otherwise required by law.

11. Upon paying the amount required under subsection 5, the state debt coordinator shall provide the person with a certified document detailing the case numbers paid in full under the program. Any state department, agency, or branch shall, upon the filing of a certified document detailing the cases paid in full under the program, indicate in the records of the department, agency, or branch that the case is in fact paid in

full with respect to the eligible debt obligations paid under the program.

12. The state debt coordinator shall prepare and make available debt amnesty application forms which contain requirements for approval of an application. The state debt coordinator may deny an application that is inconsistent with this section.

13. In order to promote and market this program, the director of the Iowa lottery shall collaborate in the use of the television, print, and radio advertising.

14. The department of revenue shall cooperate with the state debt coordinator in administering this program and shall cooperate with the state debt coordinator in establishing the debt settlement program under section 421C.3.

15. The director of revenue shall establish an account and shall deposit in the account all receipts received under the debt amnesty program. Not later than the fifteenth day of each month, the director shall deposit amounts received with the treasurer of state for deposit in the general fund of the state.

16. The state debt coordinator by January 15, 2011, shall provide a report to the chairpersons and ranking members of the senate and house committee on appropriations and to the legislative services agency that details the amounts collected under the program, including the classification of debt collected and the county of residence of persons granted amnesty.

Sec. 24. COLLECTION OF COURT DEBT BY COUNTY TREASURERS — INTENT — STUDY.

1. It is the intent of the general assembly to implement the collection of court debt on behalf of the clerk of the district court at the time a person renews a motor vehicle registration beginning July 1, 2011.

2. The state court administrator, or the state court administrator's designee, in cooperation with the Iowa state county treasurers association shall develop a plan to allow county treasurers to collect restitution and delinquent court debt on behalf of the clerk of the district court at the time a person appears before the county treasurer to renew a vehicle registration. The state court administrator shall submit a report of the plan to the general assembly on or before December 1, 2010.

Sec. 25. DATA MATCH SYSTEM — REPORT. The state debt coordinator, in consultation with the superintendent of banking

and the superintendent of credit unions, shall study the feasibility of developing a data match system using automated data exchanges or other means to identify persons who owe delinquent debt obligations to the state. The state debt coordinator shall file a report detailing any recommendations related to the feasibility of developing a data match system to identify persons owing delinquent debt obligations to the state. The report shall be filed by the state debt coordinator with the chairpersons and ranking members of the appropriations committees of the senate and the house of representatives and with the legislative services agency by January 14, 2011.

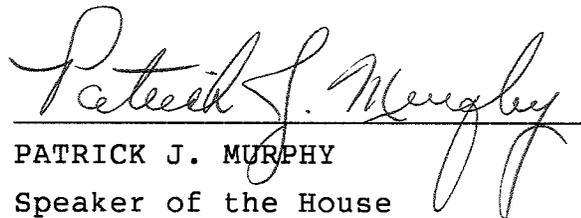
Sec. 26. EFFECTIVE DATE. The sections of this Act amending or enacting sections 321.40, 321.152, 321.153, 421.17, 421C.3, 421C.4, 422.20, and 422.72 take effect January 1, 2011.

Sec. 27. EFFECTIVE UPON ENACTMENT. The section of this Act enacting 421C.1 and the section of this Act enacting the debt amnesty program, being deemed of immediate importance, takes effect upon enactment.



JOHN P. KIBBIE

President of the Senate



PATRICK J. MURPHY

Speaker of the House

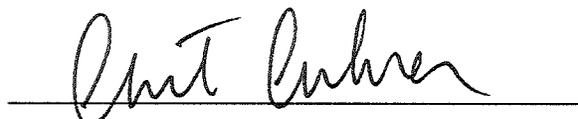
I hereby certify that this bill originated in the Senate and is known as Senate File 2383, Eighty-third General Assembly.



MICHAEL E. MARSHALL

Secretary of the Senate

Approved April 21ST, 2010



CHESTER J. CULVER

Governor